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FOUR BENEFITS OF OFFERING OUTSOURCED FLEET MANAGEMENT



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Leasing can enable businesses to afford new vehicles without putting pressure on their cash flow.



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Consumers the world over are choosing to subscribe to goods and services rather than own them. The rapid pace of technological advancement is fuelling this 'subscription economy', giving people and businesses access to the latest devices and solutions at an affordable fixed fee. This also applies to businesses: the Economist Intelligence Unit states that 80% of business buyers seek flexible payment solutions that can easily scale to suit their changing needs.

Dealers are increasingly aware that buyers are moving towards all-inclusive pay per month leasing models. Leasing can enable these businesses to afford new vehicles without putting pressure on their cash flow. It can also relieve them of the responsibility for managing the servicing of their fleet with maintenance inclusive agreements known as 'contract hire'. In light of this, dealers that want to grow their share of the market need to offer all-inclusive and affordable payment propositions to their customer base – or risk falling behind the curve.

The end-user business benefits of fixed cost repair and maintenance contract hire are very attractive. As vehicles become more technically advanced, staff training, compliance and maintenance costs are increasing. Even purchasing a new vehicle has become more cumbersome due to new compliance legislation through whole vehicle-type approval. Fleet operators trying to manage all these in-house are battling to keep with the pace of change. Of course, from a competitive stand-point, they can't afford to fall behind. By shifting maintenance onto the finance provider, fleet managers can transfer the risk and continue to deliver a quality service efficiently and affordably.

As a dealer, it's important that you're aware of all the advantages of a cost per month model and can communicate them to potential customers. Here are four of the main advantages of outsourcing fleet maintenance and management.

1. REDUCED OPERATING COSTS

Owning a fleet is an expensive business. Like any equipment, your customers' fleet needs to be kept in shape to keep them in business. Maintenance expenses such as parts, and labour can all add up very quickly. Managing repairs in-house requires hiring a team of well-trained staff and sending vehicles to a supplier for repairs could result in paying over the odds for maintenance.

By outsourcing their fleet purchasing, management and maintenance to you, your customers can significantly reduce their operating costs. Outsourcing means they don't need to source and manage an in-house maintenance team. This reduces, or even eliminates, a range of their expenses related to payroll and back-office functions – as well as the accompanying administrative HR headache. Leasing telecoms equipment provides a competitive advantage that allows a business to spread their costs and acquire the assets, and support, they need to succeed. In a world that leases everything from phones to cars, leasing telecoms equipment is a natural next step.

2. INCREASED EFFICIENCY

When the responsibilities of ownership are outsourced to a dedicated organisation, your customers and their staff can focus on other company priorities. This can dramatically improve their productivity, efficiency and business results.

3. ENHANCED SERVICE AND CUSTOMER SATISFACTION

Trying to manage fleet scheduling, parts availability, ongoing repairs and other aspects of maintenance in-house, can stretch your customers' resources to unmanageable levels. When their staff are feeling under pressure, the quality of their service delivery will suffer – leaving their own customers dissatisfied.

Outsourcing fleet maintenance and management assures your customers – and their customers – of consistently excellent service. The best fleet maintenance and management companies work to strict industry set standards so the quality of work will be 100 percent guaranteed.

4. MEET LEGISLATIVE REQUIREMENTS

Last but not least, outsourcing fleet management means that your customers no longer need to oversee their legislative requirements. Again, this frees up your customers' staff to focus on other important business areas and helps keep their business in line with the law.

With ownership comes immense responsibility and expense. As the world turns more and more in favour of leasing, the subscription economy is gaining traction across a range of industries. The benefits for end-users and dealers are clear – improved profits and productivity, enhanced customer satisfaction levels and a greater competitive edge.



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